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THE "NEW FEDERALISM" AND PUBLIC HEALTH

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WYCHMERE HARBOR, CAPE COD

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(GREETINGS TO HOSTS, GUESTS)

I APPRECIATE THE OPPORTUNITY TO JOIN YOU THIS EVENING TO TALK ABOUT WAYS WE CAN CONTINUE TO WORK TOGETHER TO STRENGTHEN THE DELIVERY OF HEALTH SERVICES IN THIS COUNTRY. I WANT TO PHRASE IT JUST THAT WAY BECAUSE I BELIEVE THAT'S THE COMMITMENT OF EVERY PERSON IN THIS ROOM.

OUR BEST IDEAS AND OUR BEST ENERGIES ARE NEEDED FOR OUR PUBLIC HEALTH ASSIGNMENTS COMING UP. AS YOU ARE AWARE, WE ARE PASSING THROUGH AN IMPORTANT PERIOD OF CHANGE IN THE WAY HEALTH SERVICES ARE ORGANIZED AND DELIVERED. AND WHILE CHANGE IS AN INTEGRAL PART OF OUR PROFESSION, IT IS OFTEN MISUNDERSTOOD AND NOT ALWAYS WELCOME. TONIGHT I'D LIKE TO SHARE WITH YOU MY VIEW OF SOME OF THE CHANGES WE ARE PURSUING AT THE FEDERAL LEVEL, WITH THE GOOD COUNSEL OF OUR PUBLIC HEALTH COLLEAGUES IN STATE AND LOCAL GOVERNMENT.

YOU KNOW, OF COURSE, THAT NOT ALL CHANGES AFFECTING PUBLIC HEALTH POLICY ARE ROOTED IN MEDICAL PRACTICE. FOR EXAMPLE, THE PRESIDENT'S

FIRST DOMESTIC PRIORITY -- BRINGING INFLATION UNDER CONTROL -- OUGHT TO DIRECTLY BENEFIT THE AMERICAN SYSTEM OF HEALTH CARE, THOSE WHO DELIVER CARE AND THOSE WHO RECEIVE IT. AND I WANT TO USE A FEW NUMBERS TO TELL THAT STORY.

FOR EVERY $100 A PERSON EARNED IN 1981, HE OR SHE SPENT ABOUT $11 ON HEALTH CARE. TEN YEARS AGO, THAT FIGURE WAS ONLY $8. EACH YEAR AMERICANS HAVE BEEN USING PROPORTIONATELY MORE AND MORE OF THEIR INCOME -- AS INDIVIDUALS AND COLLECTIVELY AS A SOCIETY -- TO DEFRAY THE RISING COSTS OF HEALTH CARE. THEY ARE TAKING THAT MONEY AWAY FROM THINGS LIKE EDUCATION, FOOD AND CLOTHING, TRANSPORTATION, AND HOUSING.

THE RISING COSTS OF HEALTH CARE HAVE A RIPPLE EFFECT AS WELL. PEOPLE WHO RUN BUSINESSES AND PROVIDE THEIR EMPLOYEES WITH HEALTH COVERAGE HAVE HAD TO BUILD THE RISING COSTS OF HEALTH CARE INTO THE PRICING OF THEIR GOODS OR SERVICES.

THE PRICES OF THINGS GENERALLY IN THIS COUNTRY HAVE GONE UP, FOR THE 12 MONTHS ENDING IN MARCH, BY 6.8 PERCENT. BUT <u>WITHIN</u> THAT

OVERALL INFLATION RATE FOR THE COUNTRY IS THE NARROWER MEDICAL CARE COMPONENT. THAT, BY ITSELF, WENT UP 12 PERCENT BETWEEN MARCH 1981 AND MARCH 1982. IN OTHER WORDS, WHILE THE COUNTRY WAS SEEING A GENERAL REDUCTION IN THE RATE OF INFLATION, MEDICAL CARE WAS STILL RUNNING AT NEARLY TWICE THE OVERALL RATE.

WHAT DOES THAT MEAN IN ACTUAL DOLLARS? LET ME OFFER THIS SIMPLE EXAMPLE. AS YOU KNOW, SOCIAL SECURITY BENEFITS ARE TIED DIRECTLY TO THE COST OF LIVING. EVERY PERCENTAGE POINT OF INFLATION ADDS $1.5 BILLION TO THE COST OF THOSE BENEFITS. BEGINNING NEXT MONTH AND CONTINUING FOR A CALENDAR YEAR, THE GOVERNMENT WILL BE PAYING OUT OVER $11 BILLION MORE IN SOCIAL SECURITY BENEFITS BECAUSE OF INFLATION. OF THAT INCREASE, MEDICINE'S SHARE WILL BE $3.3 BILLION, BY VIRTUE OF ITS IMPACT ON THE COST OF LIVING INDEX. THE MEDICAL COMPONENT WILL ALSO ADD MILLIONS MORE TO LABOR CONTRACTS, RENTS, SERVICE AGREEMENTS, AND OTHER CONTRACTS THAT ARE INDEXED TO THE COST OF LIVING.

THOSE EXTRA BILLIONS COME RIGHT OFF THE TOP. THAT MONEY PROVIDES NO ADDITIONAL HEALTH BENEFITS FOR THE AMERICAN PEOPLE:

* INFLATION GIVES NO ONE ANY ADDITIONAL RELIEF FROM PHYSICAL OR MENTAL ANGUISH...

* INFLATION DOES NOT REDUCE THE RISKS OF INFECTION OR PREVENT IN ANY WAY THE TRANSMISSION OF DISEASE...

* IT CONTRIBUTES NOTHING TO HELP LOWER THE RATE OF INFANT MORTALITY OR MATERNAL MORBIDITY.

NEVERTHELESS, OF THEIR TOTAL MEDICAL BILL FOR 1981 -- AN ESTIMATED $285 BILLION -- THE AMERICAN PEOPLE PAID ABOUT $28 BILLION JUST TO COVER INFLATION. AND, IF CURRENT TRENDS CONTINUE IN THE COST OF MEDICAL CARE, AMERICANS MAY PAY ABOUT THE SAME AMOUNT AGAIN IN 1982. ONCE AGAIN WE APPEAR TO BE STUCK WITH AN UNACCEPTABLY HIGH BILL FOR HEALTH CARE.

BUT LET ME POINT OUT TO YOU THAT THE MEDICAL COMMUNITY PAYS INFLATED COSTS, TOO. PHYSICIANS, HOSPITAL ADMINISTRATORS, AND OTHERS INVOLVED IN THE DELIVERY OF QUALITY HEALTH AND MEDICAL CARE ALSO PAY THAT EXTRA TRIBUTE TO INFLATION WHEN THEY BUY EQUIPMENT, SPACE, AND ENERGY...WHEN THEY HIRE STAFF...OR WHEN THEY PURSUE PROGRAMS OF CONTINUING EDUCATION.

WE KNOW THAT ALL HEALTH CARE PROFESSIONALS -- HOSPITAL ADMINISTRATORS, PHYSICIANS, DENTISTS, NURSES -- NEED TO RE-EXAMINE THE WAY

THEY FUNCTION IN THE MARKETPLACE. THERE ARE STILL THINGS THEY CAN AND SHOULD DO TO HELP CONTROL THE SPIRALLING COSTS OF HEALTH CARE. I DO NOT INTEND TO LIST THEM ALL THIS EVENING, NOT BECAUSE IT WOULDN'T BE GREAT FUN. I'M SURE IT WOULD. BUT THE PRESENCE OF SUCH A LIST PRE-SUPPOSES THAT ALL THE QUESTIONS THAT NEED TO BE ASKED HAVE BEEN ASKED AND ANSWERED. BUT THEY HAVEN'T.

FOR EXAMPLE, CAN WE END THE SPIRAL OF HEALTH COSTS WITHOUT PUTTING A CAP ON HEALTH SPENDING? AND WHERE DO YOU SET THAT CAP? AND HOW DO WE REWARD DOCTORS AND HOSPITALS FOR DOING LESS AND SPENDING LESS -- YET MAINTAIN THE SUCCESS OF OUR SYSTEM? ALSO, AMERICAN MEDICINE NOW HAS AT ITS DISPOSAL A WHOLE RANGE OF HIGHLY SOPHISTICATED AIDS FOR DIAGNOSIS AND TREATMENT. WE DON'T WANT TO GIVE THEM UP. BUT THEY ARE EXPENSIVE TO PURCHASE AND USE. IS IT POSSIBLE TO PUT A PREMIUM ON THEIR USE? CAN WE PLACE A SURCHARGE, AS IT WERE, ON THE USE OF ALL OUR COSTLIER TECHNOLOGIES IN HEALTH AND MEDICAL CARE?

THESE ARE EXTREMELY DIFFICULT QUESTIONS FOR OUR SOCIETY, SINCE WE SIMPLY DO NOT KNOW HOW TO REWARD -- IN A MEANINGFUL, ATTRACTIVE WAY -- SOMEONE WHO CHOOSES TO DO LESS RATHER THAN MORE.

AS I NOTED EARLIER, THE PRESIDENT'S FIRST PRIORITY HAS BEEN TO LOWER THE INFLATION RATE. HIS SECOND PRIORITY HAS BEEN TO BRING ABOUT A "NEW FEDERALISM." FOR US, THAT HAS MEANT THE TRANSFER OF HEALTH SERVICE PROGRAMS FROM WASHINGTON BACK TO THE STATES.

FIRST, LET ME GIVE A LITTLE THUMBNAIL HISTORY OF HOW THIS ALL CAME ABOUT. AS YOU KNOW, THE GROWTH OF THE P.H.S. DURING THE PAST 15 TO 20 YEARS HAS BEEN PRIMARILY THE RESULT OF NEW AND EXPANDING CATEGORICAL GRANT PROGRAMS. AT THE TIME PRESIDENT REAGAN WAS INAUGURATED, IN JANUARY 1981, THE GOVERNMENT WAS FUNDING AND OPERATING 534 CATEGORICAL GRANT-IN-AID PROGRAMS, MOST OF THEM DELIVERING SOME KIND OF HEALTH SERVICE. ONE-SEVENTH OF THOSE -- 74, TO BE EXACT -- WERE IN P.H.S.

THE ADMINISTRATION SAID THAT IT WAS TIME FOR THE FEDERAL GOVERNMENT TO GET OUT OF THE BUSINESS OF DELIVERING HEALTH SERVICES, EITHER DIRECTLY OR BY PROXY THROUGH GRANTEES AND CONTRACTORS. IT HAS BEEN TOO COSTLY,TOO UNWIELDY, AND NOT AS EFFECTIVE AS ADVERTISED. HANDING OVER THOSE FEDERAL PROGRAMS TO STATE AND TERRITORIAL HEALTH AUTHORITIES SEEMED TO BE PREFERABLE. BUNDLING THEM INTO BLOCKS, WITH AS FEW STRINGS AS POSSIBLE, WAS TO BE THE METHOD.

IN MARCH 1981, IN THE FIRST BUDGET MESSAGE OF HIS ADMINISTRATION, PRESIDENT REAGAN PROPOSED THE GROUPING OF MANY SIMILAR CATEGORICAL GRANT-IN-AID PROGRAMS INTO A SERIES OF BLOCK GRANTS TO THE STATES: ONE FOR PREVENTIVE SERVICES, ANOTHER FOR THE A.D.A.M.H.A. PROJECTS, A THIRD FOR MATERNAL AND CHILD HEALTH, AND A FOURTH CONCERNED WITH PRIMARY CARE, WITH THE CENTERPIECE BEING THE COMMUNITY HEALTH CENTERS PROGRAM. IN AUGUST OF LAST YEAR, CONGRESS AUTHORIZED AND FUNDED THE FIRST THREE. THE FOURTH BLOCK GRANT -- AS REVISED AND RE-SUBMITTED BY THE PRESIDENT THIS YEAR -- WOULD GO INTO EFFECT ON OCTOBER 1, 1982.

I UNDERSTAND THAT EVERY STATE AND TERRITORY WILL HAVE APPLIED FOR THE PREVENTION, THE MATERNAL AND CHILD HEALTH, AND THE A.D.A.M.H.A. BLOCK GRANTS BY THE END OF THIS FISCAL YEAR. I'M PLEASED TO NOTE THAT STATES IN REGION I WERE AMONG THE EARLIEST APPLICANTS.

THE RESULT OF THE BLOCK GRANT APPROACH IS A NEW DIVISION OF LABOR WITHIN P.H.S. ONE TASK IS SIMPLY TO ADMINISTER THE FISCAL ARRANGEMENTS FOR THE BLOCKS. THAT CAN BE DONE WITH A RELATIVELY SMALL MANAGEMENT STAFF AT THE ASSISTANT SECRETARY'S LEVEL. THE OTHER TASK IS TO PROVIDE THE STATES WITH ANY TECHNICAL ASSISTANCE THEY MIGHT NEED OR IN OTHER WAYS BE HELPFUL TO STATE PROGRAM PEOPLE AT THEIR REQUEST. THIS TASK REQUIRES FEWER PROGRAM PERSONNEL IN SMALLER P.H.S. AGENCIES.

IN FACT, WE ARE CURRENTLY IN THE PROCESS OF COMBINING BOTH THE HEALTH RESOURCES AND THE HEALTH SERVICES ADMINISTRATIONS. H.R.A. IS NO LONGER STIMULATING HOSPITAL CONSTRUCTION, ACROSS-THE-BOARD UNDERGRADUATE AND GRADUATE MEDICAL EDUCATION, OR HIGHLY STRUCTURED, FEDERALLY REGULATED HEALTH PLANNING. H.S.A. NO LONGER HAS TO ADMINISTER THE ENORMOUS CATEGORICAL GRANT-IN-AID SERVICE PROGRAMS THAT ARE NOW PART OF THE BLOCKS.

THE BLOCK GRANTS HAVE FEW STRINGS ATTACHED: THE STATES NEED TO INFORM THEIR CITIZENS ABOUT THEIR PLANS, TO HAVE THEIR BOOKS READY FOR A FEDERAL AUDIT AND BE GENERALLY ACCOUNTABLE, AND THEY NEED TO RESPECT THE RIGHTS OF ALL CITIZENS. THE REQUIREMENTS FOR THE FIRST THREE BLOCKS TAKE UP A HALF-DOZEN PAGES IN THE FEDERAL REGISTER, COMPARED TO THE MORE THAN 200 PAGES THAT GOVERNED THE SAME PROGRAMS WHEN THEY WERE RUN AS GRANTS-IN-AID OUT OF WASHINGTON.

THIS IS TRULY AN HISTORIC DEVELOPMENT AND, THEREFORE, CARRIES WITH IT A CERTAIN AMOUNT OF MISUNDERSTANDING. FOR EXAMPLE, IN OUR OFFICES IN WASHINGTON WE ARE STILL GETTING REQUESTS FOR INFORMATION AS TO "HOW THE STATES ARE DOING."

WE REPLY THAT WE DON'T REALLY KNOW YET.

WELL, WHEN WILL WE KNOW?

NOT FOR A LONG WHILE. WE'LL REALLY KNOW FOR SURE HOW ONE OR ANOTHER STATE IS DOING WHEN ITS PERSONNEL ASK OUR PROGRAM PEOPLE FOR TECHNICAL ASSISTANCE AND THEY TALK THROUGH SOME OF THEIR PROBLEMS.

THIS LAST POINT IS SOMETIMES OVERLOOKED. NOT LONG AGO, I WAS TALKING TO THE PRESIDENT OF A NATIONAL PROFESSIONAL SOCIETY -- A GROUP WHOSE MEMBERS DELIVER A SEGMENT OF OUR HEALTH CARE -- AND HE WAS GREATLY CONCERNED ABOUT THE TRANSFER TO THE STATES OF A CATEGORICAL GRANT PROGRAM DEAR TO HIS HEART. HE WAS PARTICULARLY CONCERNED OVER THE LOSS OF KNOWLEDGE ABOUT THAT PROGRAM, KNOWLEDGE THAT HAD BEEN BUILT UP OVER THE YEARS AMONG FEDERAL PROGRAM PERSONNEL. I HAD TO POINT OUT TO HIM THAT MANY OF THOSE SAME SUBSTANTIVE EXPERTS ARE REMAINING AT THE FEDERAL LEVEL FOR THAT VERY REASON -- TO PROVIDE VALUABLE CONSULTATION AND OTHER ASSISTANCE WHEN ASKED. HIS CONCERN WAS APPROPRIATE. BUT HIS WORRY WAS UNFOUNDED.

THAT'S THE WAY THE PROGRAM WAS PROPOSED. AND THAT'S THE WAY THE CONGRESS PASSED THE LAW. WE DECIDED TO PLACE OUR FAITH IN THE

ABILITIES AND POLICIES OF STATE AND LOCAL PUBLIC HEALTH OFFICIALS, MEN AND WOMEN LIKE US HERE TODAY. SOME PEOPLE THINK THAT'S A REVOLUTIONARY IDEA. WELL, IT WAS...IN 1776. NOT TODAY.

NEVERTHELESS, IT TAKES TIME FOR OLD HABITS TO CHANGE. IT WILL TAKE TIME FOR PEOPLE TO UNDERSTAND THAT THE FEDERAL GOVERNMENT HAS CHOSEN TO BET ON THE INTEGRITY OF STATE GOVERNMENT. FOR TOO MANY YEARS WE HAVE INDULGED IN A KIND OF ADVERSARY RELATIONSHIP BETWEEN THESE TWO LEVELS OF GOVERNMENT. SUCH A RELATIONSHIP SHOULD NOW BECOME PAST HISTORY. THE FUTURE REQUIRES A PARTNERSHIP OF MUTUAL TRUST AND RESPECT. AND I THINK BOTH SIDES HAVE EARNED IT.

OF COURSE, THAT DOES NOT MEAN BLIND ACCEPTANCE OF POLICIES, METHODS, AND PROGRAMS. THAT ISN'T OUR NATIONAL STYLE ANYWAY. I BELIEVE PEOPLE OF GOOD WILL CAN DISAGREE ON THE ADVISABILITY OF HAVING GOVERNMENT RESPONSIBLE FOR THIS OR THAT PROGRAM OF HEALTH SERVICE. AND I THINK PEOPLE OF GOOD WILL CAN DISAGREE ON THE WAYS TO DELIVER SERVICES PROMISED IN THIS OR THAT PROGRAM.

BUT I ALSO THINK PEOPLE OF GOOD WILL CAN AGREE THAT STATE AND LOCAL GOVERNMENTS CAN PROVIDE THE BEST HEALTH CARE POSSIBLE TO THEIR

CITIZENS. THE OVERWHELMING MAJORITY OF AMERICANS -- AND THE PUBLIC OFFICIALS WHO SERVE THEM -- HAVE NO INTENTION OF TURNING BACK THE CLOCK OF SOCIAL CONSCIOUSNESS, CARING, AND COMPASSION.

I'VE TALKED ABOUT INFLATION AND I'VE TALKED ABOUT THE "NEW FEDERALISM." THOSE ARE IMPORTANT SUBJECTS, BUT I AM NOT AN ECONOMIST OR A LEGAL SCHOLAR AND I DON'T BELIEVE THERE ARE MANY OF THOSE TYPES HERE TONIGHT. WE ARE CONCERNED WITH HEALTH -- THE STATUS OF AMERICAN HEALTH, THE DELIVERY OF HEALTH SERVICE, THE RESEARCH THAT IS THE FOUNDATION OF PROGRESS IN HEALTH CARE, AND THE WAYS IN WHICH WE CAN PROMOTE HEALTH AND PREVENT DISEASE AND DISABILITY.

AS FAR AS THE HEALTH STATUS OF AMERICANS IS CONCERNED, THE INDICATORS ARE FAVORABLE AND THEY CONTINUE TO IMPROVE. THE LATEST ESTIMATE FOR INFANT MORTALITY PUTS THE RATE AT 11.6 INFANT DEATHS PER 1,000 LIVE BIRTHS, THE LOWEST IN OUR HISTORY. YOU WILL RECALL THAT WE SET AS A NATIONAL GOAL AN INFANT MORTALITY RATE OF ONLY 9 PER 1,000 LIVE BIRTHS BY 1990. THAT WAS ONE OF MANY GOALS SET FORTH IN <u>HEALTHY PEOPLE</u>, THE SURGEON GENERAL'S REPORT ON HEALTH PROMOTION AND DISEASE PREVENTION.

BUT I HAVE NO ILLUSIONS THAT WE ARE ENTERING THE TOUGHEST PHASE OF THIS BATTLE TO SAVE THE LIVES OF CHILDREN. WE KNOW, FOR EXAMPLE, THAT THE INCIDENCE OF BIRTH DEFECTS, MANY OF THEM FATAL TO THE NEWBORN, IS AT A FAIRLY CONSTANT RATE. IF WE WANT TO BRING THAT RATE DOWN, WE NEED TO LEARN A GREAT DEAL MORE ABOUT BIRTH DEFECTS THAN WE NOW KNOW.

SIMILARLY, WE KNOW THAT THE MOST SIGNIFICANT CAUSE OF INFANT DEATHS IS LOW BIRTH WEIGHT. AND WE ALSO KNOW THAT LOW BIRTH WEIGHT INFANTS APPEAR MOST FREQUENTLY AMONG THE NEWBORN OF TEENAGE WOMEN. THIS IS NOT SIMPLY A MEDICAL PROBLEM. IT IS A PROBLEM OF SOCIAL HEALTH...COMPLEX...EMOTIONAL...AND PERSONAL. IT REQUIRES A CHANGE IN THE BEHAVIOR OF MANY YOUNG MOTHERS -- GREATER RELIANCE ON PHYSICIAN CARE, IMPROVED DIET, THE CESSATION OF SMOKING AND THE ABUSE OF ALCOHOL AND DRUGS. IT REQUIRES A CHANGE IN THE LIFESTYLES OF YOUNG WOMEN <u>BEFORE</u> THEY BECOME MOTHERS.

I BELIEVE WE WILL CONTINUE TO BRING DOWN THAT INFANT MORTALITY RATE FOR THE COUNTRY GENERALLY AND FOR SPECIFIC RACIAL AND ETHNIC POPULATION GROUPS, WHOSE RATES ARE STILL UNACCEPTABLY HIGHER THAN THE NATIONAL AVERAGE. I BELIEVE WE WILL DO IT...BUT I HAVE NO ILLUSIONS ABOUT THE TASK BEING EASY. IT IS NOT.

THIS IS THE HEART OF THE CHALLENGE FACING US IN THE WHOLE AREA OF PREVENTION. IT IS THE CHALLENGE OF HELPING PEOPLE CHANGE THEIR LIFESTYLES, OF HELPING THEM CHANGE THE WAY THEY BEHAVE REGARDING THEIR PHYSICAL AND MENTAL WELL-BEING.

JUST FOR A MOMENT, LET ME INDICATE TO YOU JUST HOW POWERFUL A FACTOR HUMAN BEHAVIOR CAN BE IN DETERMINING MORTALITY AMONG AMERICANS. FOR EXAMPLE, OF THE 10 LEADING CAUSES OF DEATH IN AMERICA, SMOKING IS A SIGNIFICANT FACTOR IN 4...THE CONSUMPTION OF ALCOHOL CAN BE A FACTOR IN 6...AND DIET IS A FACTOR IN 4. ACTUALLY, WHEN YOU TAKE A LOOK AT THE 10 LEADING CAUSES OF DEATH, THERE IS A BEHAVIORAL RISK FACTOR FOR EVERY ONE. CLEARLY, ONE OF THE MAJOR PUBLIC HEALTH CHALLENGES IN THIS COUNTRY RIGHT NOW IS TO DEVELOP EDUCATION AND INFORMATION PROGRAMS FOR BOTH THE PROFESSION AND THE GENERAL PUBLIC THAT WOULD LEAD TO MORE HEALTHFUL MODES OF BEHAVIOR.

THAT'S A VERY DIFFICULT AND COMPLEX TASK FOR OUR KIND OF SOCIETY. ONE OF THE BASIC TENETS OF AMERICAN DEMOCRACY IS THAT EACH CITIZEN IS PROTECTED FROM PEOPLE WHO KNOW WHAT'S BEST FOR HIM OR HER. WELL, HERE WE ARE -- EXPERTS IN PUBLIC HEALTH -- WE KNOW WHAT IS BEST -- AND WE

NEED TO IMPRESS OUR FELLOW CITIZENS WITH OUR KNOWLEDGE. WE CAN ONLY HOPE WE WILL BE SUCCESSFUL ENOUGH FOR THEM TO MAKE THE MOST HEALTHFUL CHOICES.

THIS ADMINISTRATION IS COMMITTED TO A NATIONAL POLICY OF HEALTH PROMOTION AND DISEASE PREVENTION. BUT THERE IS NO MAGIC TO SUCH A POLICY. IF THE POLICY PROVES TO BE SUCCESSFUL, IT WILL REALLY BE THE SUM OF INDIVIDUAL SUCCESSES OF PUBLIC INFORMATION AND HEALTH EDUCATION CAMPAIGNS...OF COOPERATIVE PROGRAMS WITH THE PRIVATE SECTOR, INCLUDING VOLUNTARY ASSOCIATIONS AND INDUSTRY...OF THE USE OF CERTAIN INCENTIVES, SUCH AS LOWER INSURANCE PREMIUMS FOR PERSONS WHO TAKE BETTER CARE OF THEMSELVES AND THEIR FAMILIES...AND OF A GREATER EMPHASIS ON PREVENTION AMONG PRACTITIONERS OF MEDICINE, DENTISTRY, NURSING, AND OTHER DISCIPLINES IN HEALTH AND MEDICIAL CARE.

I THINK YOU WILL BE PLEASED WITH WHAT HAS BEEN PLANNED FOR THE SECRETARY'S PREVENTION INITIATIVE, WHICH WILL BE ANNOUNCED SOON. IT IS NOT ONLY IMAGINATIVE AND INNOVATIVE -- BUT IT WILL SEEK TO TAKE FULL ADVANTAGE OF OUR PARTNERSHIP WITH THE PRIVATE SECTOR, INCLUDING THOSE GROUPS WHO WORK FOR PROFIT AND THOSE WHO DO NOT.

THE POTENTIAL FOR SUCCESS IS VERY GREAT. PEOPLE GENERALLY KNOW MORE AND UNDERSTAND MORE ABOUT THE RISKS AND BENEFITS OF MEDICAL CARE. TODAY, PROBABLY AS NEVER BEFORE IN THE HISTORY OF MEDICINE, A MUCH CLOSER PARTNERSHIP IS POSSIBLE BETWEEN PHYSICIAN AND PATIENT. IT IS A PHENOMENON RICH WITH POTENTIAL FOR IMPROVED HEALTH STATUS FOR INDIVIDUALS, FAMILIES, AND COMMUNITIES.

AND SINCE PEOPLE DO KNOW MORE AND CAN PARTICIPATE MORE IN THEIR OWN HEALTH CARE, IT MAKES SENSE TO DECENTRALIZE THE OPERATION OF MANY HEALTH SERVICE PROGRAMS TO PUT THEM CLOSER TO THE PERSONS MOST INVOLVED -- THOSE WHO DELIVER CARE AND THOSE WHO RECEIVE IT.

FOR THE PAST FEW MINUTES I HAVE SHARED WITH YOU SOME OF THE ADMINISTRATION'S THINKING ABOUT THE FUTURE OF HEALTH CARE IN THIS COUNTRY AND HOW WE BELIEVE SUCH POLICIES AS CONTROLLING INFLATION AND STRENGTHENING FEDERALISM CAN CONTRIBUTE TO BETTER HEALTH CARE. THE POLICY OF EMPHASIZING HEALTH PROMOTION AND DISEASE PREVENTION COMPLETES THE OVERALL PUBLIC HEALTH STRATEGY.

I BELIEVE IT IS A REASONABLE, ACHIEVABLE STRATEGY FOR PUBLIC HEALTH. IT LOOKS TO THE FUTURE WITH CHALLENGE AND WITH HOPE. IT IS AN OPTIMISTIC STRATEGY FOR BOTH THE STATE AND THE FEDERAL GOVERNMENTS. IN THE MONTHS AND YEARS AHEAD, I LOOK FORWARD TO WORKING WITH YOU AND YOUR COLLEAGUES IN THE ACHIEVEMENT OF THIS HEALTH STRATEGY FOR AMERICA.

THANK YOU.

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